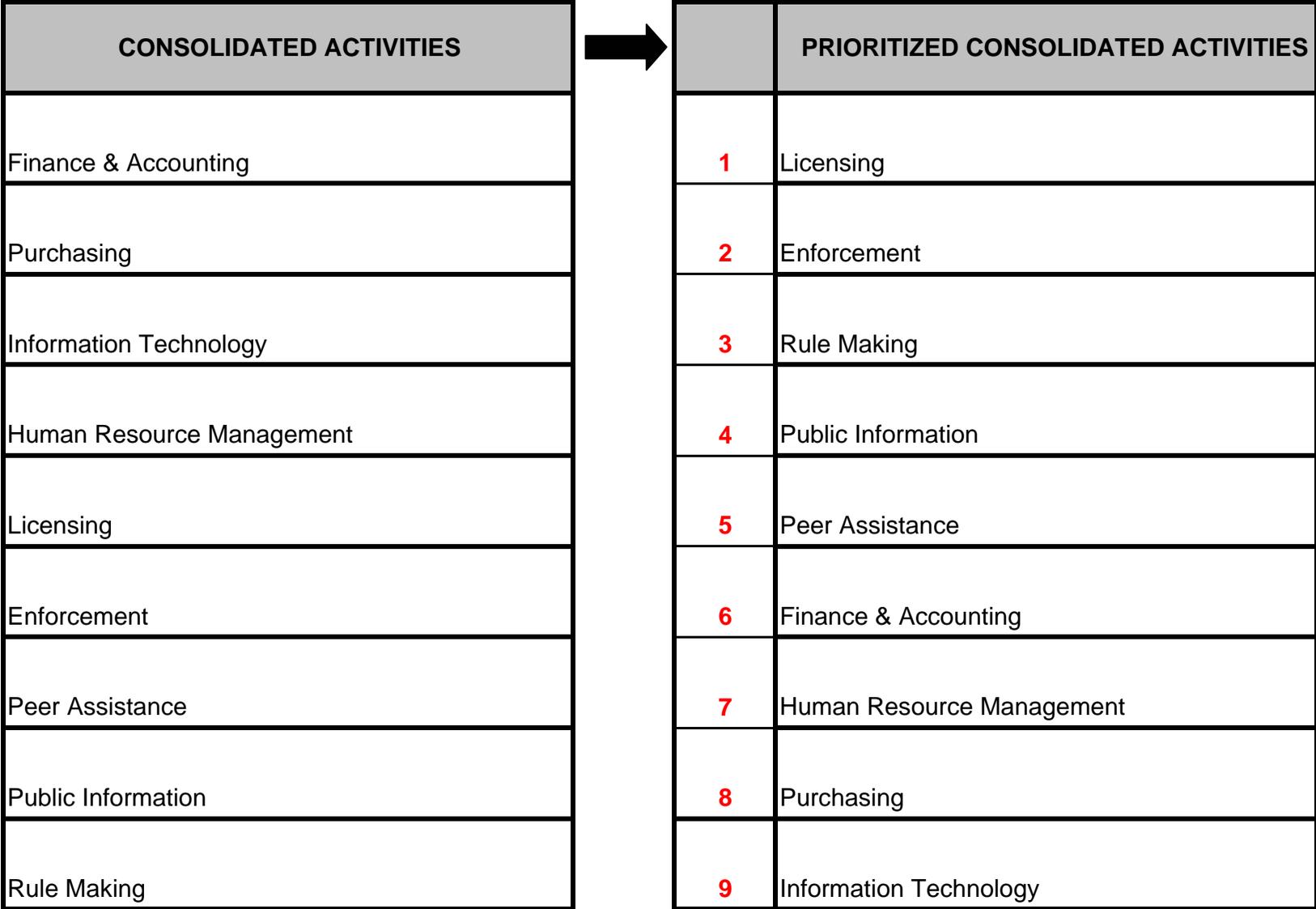


Activities from Brainstorming -- PHARMACY BOARD

1	Finance & Accounting	13	25	37	49
2	Purchasing	14	26	38	50
3	Information Technology	15	27	39	51
4	Human Resource Mgmt	16	28	40	52
5	Licensing	17	29	41	53
6	Enforcement	18	30	42	54
7	Peer Assistance	19	31	43	55
8	Public Information	20	32	44	56
9	Rule Making	21	33	45	57
10		22	34	46	58
11		23	35	47	59
12		24	36	48	60

PHARMACY BOARD



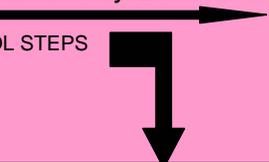
RISK ASSESSMENT TABLE--PHARMACY BOARD

PRIORITY	CONSOLIDATED ACTIVITY	IMPACT RATING		RISKS	IMPACT RATING		RISKS	IMPACT RATING		RISKS	IMPACT RATING		RISKS	IMPACT RATING		RISKS	IMPACT RATING		RISKS	IMPACT RATING		RISKS							
				1			2			3			4			5			6			7			8			9	
1	Licensing	L	L	Not sending out timely renewal notices	M	L	Failure to collect appropriate license fees and late fees	M	M	Backlog of applications	H	L	Exam integrity	H	L	Licensing unqualified applicants	H	L	Undetected cheating by examinees	M	L	Failure to detect criminal history &/or Refer to Enfcmnt	M	M	Applicants Providing Incorrect Data				
2	Enforcement	H	L	Lawsuits	H	M	Delays in complaint resolution	H	H	Diversion of Prescription Drugs	M	M	Failure to Adequately Monitor Compliance with Disciplinary Orders	H	M	Increased Recidivism/ Ineffective Deterrence of Violations	H	M	Unlicensed/Unsupervised Practice(e.g. Techs, Phmcts)	H	L	Inconsistent disciplinary actions	H	L	Poor quality investigations/ inspections	M	L	Inaccurate Identification/ Documentation of Complaints (e.g. qtlly crim cks, unauth chgs)	
3	Rule Making	H	L	Lawsuits	H	L	Noncompliance with Procedural Requirements for Rulemaking	M	L	Inaccurate/Insufficient Rules	H	L	Failure to Adequately Assess Current Pharm. Operations & Practices	H	L	Inadequate Statutory Authority													
4	Public Information	M	M	Inaccurate or inadequate Public Information on website	M	M	Failure or incorrect response to Open Records requests	M	M	Failure to Report/ or Failure to Timely Report Disciplinary Action to Applicable Agencies	H	L	Release of Confidential Information	H	L														
5	Peer Assistance	H	L	Misuse of State Funds by Third Party Administrator	H	M	Undetected substance abuse by licensees & registrants	H	L	Poor Quality Program Administration	M	M	Failure to Comply With Law/ Contract Terms																
6	Finance and Accounting	H	L	Unauthorized Transactions/ Misappropriated Funds	H	L	Overspending Budget, inaccurate budgets and monitoring	M	L	Inaccurate reports to Mgmt and Board	M	L	Failure to meet deadlines	M	L	Failure to Collect/ Record Appropriate Fines/Prob Fees	M	L	Loss of assets/ cash										
7	Human Resource Management	H	L	Noncompliance with HR laws	M	M	Shortage of qualified applicants	M	L	Untimely employee performance reviews	H	L	Hiring Unqualified employees	H	M	Employee turnover/ Succession Planning	M	L	Inaccurate time and attendance records	H	L	Fraudulent activity by employees	H	H	Inadequacy of Staff/Work Ratio	H	L	Lawsuits/Administrative Actions	
8	Purchasing	H	L	Noncompliance with purchasing laws and regulations	M	L	Unauthorized Purchases	M	L	Paying more than fair price for product or service																			
9	Information Technology & Systems	H	M	Computer Security	H	L	Loss of data	H	L	Inadequate user support/training	H	L	Inadequacy of disaster recovery plan	L	M	Inadequate Records Management Policies	H	H	Technological obsolescence	H	H	Systems downtime	L	L	Lack of system and application documentation	H	M	Lack of Compliance with Document Retention Plan	

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity: Licensing RISKS → CONTROL STEPS ↓	Not sending out timely renewal notices	Failure to collect appropriate license fees and late fees	Backlog of applications	Exam integrity	Licensing unqualified applicants	Undetected cheating by examinees	Failure to detect criminal history &/or Refer to Enfcmr	Applicants Providing Incorrect Data	
Automated database reminder system	x								
Performance Review	x		x		x		x		
Licensee Feedback/Customer Service Survey			x						
Management Review	x	x	x		x				
Meetings to review workload	x		x		x				
Outsourced to Qualified Vendor	x			x		x			
Checklist for each Applicant					x		x		
Verification of Credentials/ Fingerprinting					x		x	x	
Periodic Direct Observation of Process				x		x	x		
Automated Collection Process		x							
Review of performance targets and revenue projections		x							
Automated Database Edits		x			x		x		
Audits of Oversight Agencies		x					x		
Automated Federal & State Criminal History Checks							x		
Staff Member Assigned to Item Writing Committee				x					
Verify Information with PTCB								x	
Written Policy & Procedures and Training	x	x			x		x		
Coordination with Other Departments		x					x		

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity: Enforcement RISKS CONTROL STEPS 	Lawsuits	Delays in complaint resolution	Diversion of Prescription Drugs	Failure to Adequately Monitor Compliance with Disciplinary Orders	Increased Recidivism/ Ineffective Deterrence of Violations	Unlicensed/Unsupervised Practice(e.g. Techs, Phmcts)	Inconsistent disciplinary actions	Poor quality investigations/ inspections	Inaccurate Identification/ Documentation of Complaints (e.g. qly crim cks, unauth chgs)
Management Review	x	x	x	x	x	x	x	x	x
Review of Performance Targets		x			x			x	
Activity Reports		x			x			x	
Case Reviews	x	x	x	x	x	x	x	x	x
Follow up on customer/media complaints/ Customer Survey	x	x			x	x		x	x
Reconciliation of fines assessed to Board Order Entry				x					
Inspections	x		x	x	x	x			
Board Review	x	x	x		x	x	x	x	x
Coordination between Acctg & Enfrmt Personnel				x					
Periodic Staff Meetings & Training	x	x	x	x	x	x	x	x	x
Informal Conferences			x		x		x		
Coordination between Other Agencies (e.g. OAG, DEA, FDA, DHS, DPS)	x	x	x	x		x		x	x
Performance Reviews		x		x				x	x
Board Rules & Guidelines			x	x		x	x	x	
Dissemination of Public Information(e.g. Newsletter & Presentations)			x		x	x	x		
Drug Screens & Other Reports			x	x	x				
Tracking Systems Review (manual & computerized)		x		x					x
Referral for Criminal Prosecution			x		x	x			

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity: Rule Making RISKS → CONTROL STEPS ↓	Lawsuits	Noncompliance with Procedural Requirements for Rulemaking	Inaccurate/Insufficient Rules	Failure to Adequately Assess Current Pharm. Operations & Practices	Inadequate Statutory Authority				
Management Review	x	x	x	x	x				
Board Review	x	x	x	x	x				
Monitoring Laws & Rules	x		x	x					
Education	x	x	x	x					
AG Opinions/Assistance	x	x	x		x				
Public Input (taskforces, hearings)	x		x	x					
Legal Review	x	x	x		x				
Review by Texas Register	x	x							

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity: Public Info RISKS → CONTROL STEPS ↓	Inaccurate or inadequate Public Information on website	Failure or incorrect response to Open Records requests	Failure to Report/ or Failure to Timely Report Disciplinary Action to Applicable Agencies	Release of Confidential Information					
Web Committee	x								
Management Review	x	x	x						
Periodic Review	x								
Policies & Procedures	x	x	x	x					
Review by Oversight Agencies	x	x							
Automated System	x	x		x					

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity: Peer Asstnce RISKS → CONTROL STEPS ↓	Misuse of State Funds by Third Party Administrator	Undetected substance abuse by licensees & registrants	Poor Quality Program Administration	Failure to Comply With Law/ Contract Terms					
Independent Audit	x		x	x					
Follow up on customer complaints	x	x	x						
Management Review	x	x	x	x					
Licensee Reports		x	x						
Case Reviews			x						
Inspections/Investigations		x	x						
Drug Screens		x							
Board Review	x		x	x					
Review of Performance Targets			x						
TSBP Contract with Third Party Administrator	x	x	x	x					
Periodic Mtgs with Contractor & Other Contracting Agencies	x		x	x					

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity: Accounting RISKS → CONTROL STEPS ↓	Unauthorized Transactions/ Misappropriated Funds	Overspending Budget, inaccurate budgets and monitoring	Inaccurate reports to Mgmt and Board	Failure to meet deadlines	Failure to Collect/ Record Appropriate Fines/Prob Fees	Loss of assets/ cash			
Management Review & Approval	x	x	x	x	x	x			
Policy and Procedures Manual	x	x				x			
Performance Reviews	x	x	x	x	x	x			
Routine Physical Inventory						x			
Routine Reconciliations	x	x	x			x			
External System Controls (USAS, USPS, SPA, ERS)	x	x	x			x			
Reconciliation of Imprest Accounts	x					x			
Audits by oversight agencies	x	x	x	x	x	x			
Training/Continuing Education	x	x	x	x	x	x			
Segregation of Duties	x	x			x	x			
Automated database edits					x	x			
Periodic Direct Observation of Process					x	x			
Reconciliation of ARs entered to fees assessed and to fees collected					x	x			

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity: Human Res RISKS → CONTROL STEPS ↓	Noncompliance with HR laws	Shortage of qualified applicants	Untimely employee performance reviews	Hiring Unqualified employees	Employee turnover/ Succession Planning	Inaccurate time and attendance records	Fraudulent activity by employees	Inadequacy of Staff/Work Ratio	Lawsuits/Administrative Actions
Supervisory Review	x		x	x	x	x	x	x	x
Policies and Procedures Manual	x		x	x		x	x		x
External System Controls (USAS, USPS, ERS)	x					x	x		
Audits by Oversight Agencies	x		x			x	x	x	x
Training/Continuing Education Courses	x			x	x	x	x		x
Internal Agency Audits	x		x	x		x	x	x	
Target population		x		x					
Extensive Job Posting		x		x					
Career Ladders		x			x				
Performance Reviews	x		x		x	x	x	x	x
Staff Meetings	x				x		x	x	
Verification of Credentials/ Background Checks	x			x			x		x
Reporting System (Whistleblower policy)	x					x	x		x
Interview Process & Written Selection and Recruitment Process				x					
Valid Job Descriptions	x			x					x
Gap Analysis/ Review of Classified Positions								x	

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity: Purchasing RISKS → CONTROL STEPS ↓	Noncompliance with purchasing laws and regulations	Unauthorized Purchases	Paying more than fair price for product or service						
Management Review	x	x	x						
External System Controls (SPA, USAS)	x	x							
Audits by Oversight Agencies	x	x	x						
Policies and Procedures Manual	x	x	x						
Certification of employees	x	x	x						
Training Continuing Education Courses	x	x	x						

RISK MANAGEMENT TABLE -- PHARMACY BOARD

Consolidated Activity:Info Tech. RISKS → CONTROL STEPS ↓	Computer Security	Loss of data	Inadequate user support/training	Inadequacy of disaster recovery plan	Inadequate Records Management Policies	Technological obsolescence	Systems downtime	Lack of system and application documentation	Lack of Compliance with Document Retention Plan
Password Protection & Policies	x	x					x		
Training/Continuing Education Courses	x	x	x		x	x	x	x	x
Routine Backups	x	x		x			x		
Periodic Penetration Test	x	x		x		x	x	x	
Periodic Staff Updates	x	x	x		x	x			x
Offsite Data Storage	x	x		x			x		
Strategic Planning	x		x	x		x			
Policy and Procedures Manual	x	x			x		x	x	x
External Support	x	x					x		
Supervisory Review	x	x	x	x	x	x	x	x	x
Firewall and Antivirus Software	x	x					x		
Software Upgrades/Updates	x	x	x	x		x	x		
Oversight by Other Agencies					x				x

Significant Changes in Risk Assessment - PHARMACY BOARD

New Consolidated Activity Identified in FY 2008	no changes
New Risks Identified in FY 2008 - List by Consolidated Activity or Building Block	Licensing - Clarified the verbiage in Risk 3 and Risk 7 Enforcement - Consolidated Risk 3 Poor Quality Inspection with Risk 8, now is Poor Quality Investigations/Inspections Enforcement - Risk 3 is new: Diversion of Prescription Drugs Enforcement - Clarified the verbiage in Risk 6 and Risk 9 Public Information - Removed Risk 4, it was determined this was addressed in Risk 2 Finance & Accounting - Clarified the verbiage in Risk 5 Information Technology & Systems: Removed Risk 5: Failure to Perform Timely Backups as this was addressed in Risk 2 Loss of Data Information Technology & Systems: Replaced Risk 5 with new risk: Inadequate Records Management Policies Information Technology & Systems: Added new Risk 9: Lack of Compliance with Document Retention Plan
Changes, Additions, Deletions in Control Steps - List by Consolidated Activity or Building Block	Licensing - Added 2 Control Steps: Written Policies & Procedures and Training along with Coordination of Other Departments Licensing - Assigned existing control steps of Perf Review, Checklist, Verification of Credentials, Automated Database Edits and the two new steps to Risk 7 due to the clarified verbiage Enforcement - Added new control step of Referral for Criminal Prosecution Enforcement - Assigned existing control steps to manage the new risk of Diversion of Prescription Drugs Enforcement - Added Training to Control Step: Periodic Staff Meetings and assigned this step to Failure to Adequately Monitor, Inconsistent Disciplinary Action, and Inaccurate Identification/Documentation Enforcement: Assigned existing Control Steps to clarified risks 6 and 9. Risk 6 Unlicensed/Unsupervised: added step of Board Rules and new control of Referral criminal prosecution. Risk 9 added steps of Periodic Staff Mtgs/Training, Coordination with Other Agencies and Performance Reviews Rule Making - Control Step: Monitoring Laws & Rules was removed as a control step for Noncompliance with Procedural Requirements Rule Making - Control Step: Public Input was added as a control step for Lawsuits Public Information - Added existing control steps of Policies and Procedures and Automated System to Risk 1 Inaccurate or Inadequate Public Information Peer Assistance - added new Control Step of Periodic Meetings with Contractor and Other Contracting Agencies Human Resources - Clarified Control Step of Interview Process to add Written Selection and Recruitment Process Human Resources - Added new Control Step of Gap Analysis and Review of Classified Positions Information Technology - Added new Control Step of Oversight by Other Agencies Information Technology - Assigned control steps to two new risks: Inadequate Record Management Policies and Lack of Compliance with Plan Information Technology - Assigned the existing control step of Offsite Data Storage to Risk of Systems Downtime
Changes to Impact Rating and Probability Rating - List by Consolidated Activity or Building Block	Enforcement - Assigned Ratings to New Risk of Diversion of Prescription Drugs Enforcement - Increased Probability Rating from L to M for Failure to Adequately Monitor Compliance due to lack of staff Enforcement - Increased Probability Rating from L to M for Ineffective Deterrence of Violations due to increased numbers of technicians Public Information - Increased Probability Rating from L to M for Failure or Incorrect Response to Open Records due to technological obsolescence issues Public Information - Increased Probability Rating from L to M for Failure to Timely Report Disciplinary Action due to lack of staff Information Technology - Increased Probability Rating from M to H for Technological Obsolescence due to inability to turn off system Information Technology - Increased Probability Rating from M to H and impact from M to H for Systems Downtime due to risk to critical data resulting from technological obsolescence issues Information Technology - Added ratings for two new risks